

FCC MAIL SECTION



# PUBLIC NOTICE

FEDERAL COMMUNICATIONS COMMISSION  
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DA 97-2494

CC Docket No. 97-211

Released: November 25, 1997

**WORLDCOM, INC. AND  
MCI COMMUNICATIONS CORPORATION  
SEEK FCC CONSENT FOR PROPOSED MERGER**

**Pleading Cycle Established**

**PETITIONS/COMMENTS: January 5, 1998**

**OPPOSITIONS/RESPONSES: January 26, 1998**

WorldCom, Inc. (WorldCom) and MCI Communications Corp. (MCI) have filed an amendment (Amendment) to the Consolidated Application for Transfer of Control of MCI and Request for Special Temporary Authority (Applications) that WorldCom filed with the Commission on October 1, 1997 pursuant to the Cable Landing License Act<sup>1</sup> and sections 214, 309(f), and 310(d) of the Communications Act, as amended.<sup>2</sup>

WorldCom had initially filed the Applications in connection with its announcement of an Exchange Offer (Offer) for all the issued and outstanding stock of MCI. Because the Offer was an unsolicited tender offer that competed with the proposed acquisition of MCI by British Telecommunications plc (BT), the Applications sought authority from the Commission for transfer of control of MCI from MCI's current shareholders in accord with the Commission's two-step approval process for

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<sup>1</sup> An Act relating to the Landing and Operation of Submarine Cables in the United States, 47 U.S.C. §§ 34-39.

<sup>2</sup> 47 U.S.C. §§ 214(a), 309(f), 310(d).

tender offers as required under the Commission's Tender Offer Policy Statement.<sup>3</sup> Accordingly, Volumes I and II of the Applications requested that the Commission grant WorldCom Special Temporary Authority (STA) for an interim transfer of stock of MCI and its licensee subsidiaries to an independent voting trustee (Voting Trustee). Volume III of the Applications requested that should the tender of MCI stock be successful, the Commission approve the transfer of control to WorldCom from the Voting Trustee of licenses and authorizations held by MCI and its subsidiaries.

On October 3, 1997, the Common Carrier Bureau (Bureau) released a Public Notice<sup>4</sup> establishing a pleading cycle for interested parties to respond to the Request for Special Temporary Authority filed by WorldCom. The Bureau noted that it would seek comment on the second step of the application process, i.e., the application to transfer control of MCI from the Voting Trustee to WorldCom, in a subsequent Public Notice. On October 9, 1997, the Bureau released a further Public Notice<sup>5</sup> in which it revised the STA pleading cycle.

By the Amendment, WorldCom and MCI seek to: (1) withdraw WorldCom's Step I transfer applications, and the related request for STA; and (2) substitute MCI for the Voting Trustee as the transferor in WorldCom's Step II transfer applications so that the Applications will now seek approval for a single, one-step transfer of control of MCI to WorldCom. According to the Amendment, these revisions are necessitated by the November 9, 1997 agreement between WorldCom and MCI to merge the two companies pursuant to which MCI will become a wholly-owned subsidiary of WorldCom. As a result, WorldCom will not pursue the Offer for MCI as contemplated when WorldCom initially filed the Applications.

Interested parties may file comments regarding or petitions to deny the Applications as amended by the Amendment no later than **January 5, 1998**. Oppositions or responses to these comments and petitions may be filed no later than **January 26, 1998**. For administrative convenience, the various applications listed below have been consolidated into one general docket. Accordingly, new file numbers will not be assigned to the individual applications for transfer of control. All filings regarding any aspect of the proposed merger should reference the Common Carrier docket number assigned to this proceeding, CC Docket No. 97-211.

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<sup>3</sup> *Tender Offers and Proxy Contests*, Policy Statement, 59 Rad. Reg. 2d (P&F) 1536 (1986), *appeal dismissed sub. nom. Office of Communication of the United Church of Christ v. F.C.C.*, 826 F.2d 101 (D.C. Cir. 1987) (Tender Offer Policy Statement).

<sup>4</sup> WorldCom Applies for Special Authority to Transfer Control to Trustee of MCI Licenses and Authorizations, *Public Notice*, CC Docket No. 97-211, DA 97-2137 (rel. Oct. 3, 1997).

<sup>5</sup> Common Carrier Bureau Revises Pleading Schedule for Worldcom Application for Special Authority to Transfer Control to Trustee of MCI Licenses and Authorizations, *Public Notice*, CC Docket No. 97-211, DA 97-2179 (rel. Oct. 9, 1997).

## **EX PARTE STATUS OF THIS PROCEEDING**

Because this proceeding involves broad issues of public policy and because the BT/MCI transaction<sup>6</sup> and the related Primestar transactions<sup>7</sup> have been treated as "permit but disclose" proceedings, for consistency purposes the Bureau will treat the WorldCom Application also as permit but disclose. Should circumstances warrant, the Bureau may designate this proceeding and all interrelated proceedings as restricted. Accordingly, and as discussed in the Public Notice released by the Bureau on October 24, 1997,<sup>8</sup> ex parte presentations in this proceeding will be governed by the procedures set forth in Section 1.1206 of the Commission's rules, that are applicable to non-restricted proceedings.

## **TRANSFER OF CONTROL APPLICATIONS**

The applications for transfer of control of MCI's authorizations and licenses to WorldCom include numerous Title II and Title III authorizations, licenses, certifications, and pending applications. Listed below is a non-exhaustive list of the types of authorizations and licenses involved in this transaction. They are separated by type of authorization or license and, within that category, by the MCI subsidiary that holds the authorization or license. Each MCI subsidiary may hold multiple authorizations or licenses of a particular type. Interested parties should refer to the transfer of control applications contained in the Application for a listing of the authorizations and licenses encompassed by the Offer. Parties should be aware that the Application may have to be amended to identify additional authorizations in the services noted.

### **1. Section 214 and Submarine Cable Landing Licenses**

The following are included within an application for consent to transfer control from MCI to WorldCom of Section 214 authorizations or interests in such authorizations held or requested by MCI or its subsidiaries:

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<sup>6</sup> See MCI Communications Corporation and British Telecommunications plc Seek FCC Consent for Proposed Transfer of Control, *Public Notice*, DA 96-2079 (rel. Dec. 10, 1996).

<sup>7</sup> MCI Telecommunications Corp. and PRIMESTAR LHC, Inc., File No. 106-SAT-AL-97; see also TCI Satellite Entertainment, Inc. Seek FCC Consent for Proposed Transfer of Control, *Public Notice*, File No. 91-SAT-TC-97, Rep. No. SPB-90. (rel. July 23, 1997); MCI Telecommunications, Inc. and Primestar LHC, Inc. Seek FCC Consent for Proposed Transfer of Control, *Public Notice*, File No. 106-SAT-AL-97, Rep. No. SPB-96. (rel. August 25, 1997).

<sup>8</sup> Ex Parte Communications Relating to Other Efforts to Acquire or Obtain Transfer of Control of MCI Licenses and Authorizations, *Public Notice*, CC Docket No. 97-211, DA 97-2245 (rel. Oct. 24, 1997).

General Authorizations (e.g., resale and blanket authorizations):

MCI Telecommunications Corporation (multiple authorizations)

Cable Landing Licenses:

MCI International, Inc. (multiple authorizations)

Section 214 Authorization for Cable Facilities:

MCI International, Inc. (multiple authorizations)

Separate Satellite Systems Authorizations:

MCI Telecommunications Corporation (multiple authorizations)

Other International Section 214 Authorizations:

RCA Globcom (multiple authorizations)  
Western Union International, Inc. (multiple authorizations)  
SOUTHERNNET dba Telecom\*USA  
MCI International, Inc.

Country Authorizations:

MCI Telecommunications Corporation (multiple authorizations)  
MCI International, Inc. (multiple authorizations)

**2. Section 310 Applications**

Fixed Microwave Services

The following are applications for consent to transfer control from MCI to WorldCom of Point-to-Point Microwave Service authorizations held by MCI or its subsidiaries:

MCI Telecommunications Corporation (WLB728, et al.) (multiple licenses)  
Western Union International, Inc. (WDU239, et al.) (multiple licenses)  
SouthernNet of South Carolina, Inc. (WHO832)  
Teleconnect Long Distance Services and Systems Co. (WLC930, et al.) (multiple licenses)

### Earth Stations

The following are applications for consent to transfer control from MCI to WorldCom of Earth Station licenses held by MCI or its subsidiaries:

MCI International, Inc. (E930192, et al.)  
MCI Telecommunications Corporation (E8195, et al.) (multiple licenses)  
MCI Telecommunications Corporation (E970076)  
Overseas Telecommunications, Inc. (E950371, et al.) (multiple licenses);  
(KA215 ) (multiple licenses)

### Public Coast Stations

The following is an application for consent to transfer control from MCI to WorldCom of Public Coast Station Service licenses held by MCI or its subsidiaries:

Western Union International, Inc. (KPH and WCC)

### Private Land Mobile Radio Services

The following are applications for consent to transfer control from MCI to WorldCom of Private Telephone Maintenance Radio Service licenses held by MCI or its subsidiaries:

MCI Telecommunications Corporation (KA69811, et al.) (multiple licenses)  
Teleconnect Company (WNMT515)

### Private Aircraft Station Licenses

The following is an application for consent to transfer control from MCI to WorldCom of private aircraft station licenses held by MCI or its subsidiaries:

MCI Transcon Corporation (N332MC, et al.) (multiple licenses)

## **3. Direct Broadcast Satellite Authorization Application**

The following is an application for consent to transfer control from MCI to WorldCom of a Direct Broadcast Satellite (DBS) authorization held by MCI or its subsidiary:

MCI Telecommunications Corporation (File No. 73-SAT-P/L-96)

## **ADDITIONAL INFORMATION**

Due to the expedited nature of this process, we have not completed reviewing the application for transfer of control. The Commission therefore reserves the right to return any application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules and policies.

Interested parties may file pleadings as indicated above regarding the amended Applications. An original and four copies of all pleadings must be filed in accordance with Section 1.51(c) of the Commission's rules, 47 C.F.R. § 1.51(c). In addition, one copy of each pleading must be filed with International Transcription Service, Inc. (ITS, Inc.), the Commission's duplicating contractor, at its office at 2100 M Street, N.W., Suite 140, Washington, D.C. 20037 (202) 857-3800; and two copies of each pleading must be filed with: (1) the Chief, Network Services Division, Room 235, 2000 M Street, N.W., Washington D.C. 20554; (2) the International Reference Room, International Bureau, Room 102, 2000 M Street, N.W., Washington, D.C. 20554; and (3) the Wireless Reference Room, Wireless Telecommunications Bureau, Room 5608, 2025 M Street, N.W., Washington, D.C. 20554.

Parties are also encouraged to file a copy of all pleadings on a 3.5 inch diskette in an IBM-compatible format using WordPerfect 5.1 for Windows software in a "read only" mode. Diskette submissions should be in addition to, and not a substitute for, the hard copy filing requirements reviewed above. All diskettes should be clearly labeled with: (1) the party's name; (2) the name of the proceeding and docket number; (3) the type of filing submitted (e.g., comments or oppositions); and (4) the date of submission. The diskettes should be accompanied by a cover letter and filed with: (1) Magalie Roman Salas, Secretary, FCC, Room 222, 1919 M Street, N.W., Washington, D.C. 20554; and (2) the Chief, Network Services Division, Room 235, 2000 M Street, N.W., Washington D.C. 20554.

Copies of the amended Application and any subsequently filed documents in this matter may be obtained from International Transcription Services, Inc. (ITS), 2100 M Street, N.W., Suite 140, Washington D.C., 20037, (202) 857-3800. Electronic versions of the amended Applications will also be available on the FCC's Internet Home Page (<http://www.fcc.gov>), and through the Commission's Electronic Comment Filing System. To the extent that parties file electronic versions of responsive pleadings, such filings also will be available on the FCC's Internet Home Page and through the Commission's Electronic Comment Filing System. Copies of the amended Applications are also available for public inspection and copying during normal reference room hours at the following Commission offices. In addition, copies of subsequently filed documents are available at the following Commission offices except the Gettysburg office:

Federal Communications Commission Reference Center  
1919 M Street

Room 239  
Washington, D.C. 20554

Wireless Telecommunications Bureau (DC)  
Public Reference Room  
2025 M Street, N.W.  
Room 5608  
Washington, D.C. 20554  
Contact: Maria Ringold 202-418-1350

Wireless Telecommunications Bureau (Gettysburg)  
Public Reference Room  
1270 Fairfield Road  
Gettysburg, PA 17325  
Contact: Sharon Bowers 717-338-2531

International Bureau  
Public Reference Room  
Room 102  
2000 M Street, N.W.  
Washington, D.C. 20554  
Contacts: Mary Cobbs 202-418-1492

For further information, contact Gregory M. Cooke, Network Services Division, Common Carrier Bureau at (202) 418-2351. For information regarding specific applications, please contact the following: (1) International Bureau, Karl Kensinger (202) 418-0773; and (2) Wireless Telecommunications Bureau, Steve Markendorff (Commercial Wireless Division), (202) 418-1324, and Mike Regiec (Public Safety and Private Wireless Division), (717) 338-2665.